

STATE OF TEXAS
CITY OF AUSTIN

TO: THE MAYOR AND CITY COUNCIL OF THE CITY OF AUSTIN, TEXAS

APPROVAL OF PETITION AND VERIFICATION OF SIGNATORY AUTHORITY

Full Name of Hotel: _____

Address of Hotel: _____

(County Appraisal District) **Listing of Hotel Owner:** _____

(County Appraisal District) **Listing of Hotel Owner Address:** _____

I, the undersigned, am a duly authorized representative of the Hotel identified above (hereinafter referred to as "Hotel") and acknowledge that the record owner of this Hotel will be liable for the assessment under the proposed City of Austin Tourism Public Improvement District.

By executing this **Approval of Petition and Verification of Signatory Authority**, I am requesting establishment and inclusion of the Hotel within the proposed Austin Tourism Public Improvement District (ATPID). I hereby certify on behalf of the Hotel that the individual and/or position identified below has the authority to legally bind the Hotel and to execute the Tourism Public Improvement District petition on the Hotel's behalf. I affirm that such binding authority has been granted by the Hotel's ownership group.

By virtue of the same (singular) signature below, I do request on behalf of the Hotel that the City Council of the City of Austin, Texas include the above noted hotel within the proposed Austin Tourism Public Improvement District (ATPID) under the Public Improvement District Assessment Act, V.T.C.A. Local Government Code, Chapter 372 (The 'Act'), so that the powers granted under the Act may be exercised by the City of Austin.

Name: _____

Please print name of Owner/Authorized Representative of Hotel Ownership Group (May be Hotel GM if GM is authorized to sign on behalf of Hotel Ownership Group)

Please insert **Signature of above noted Owner/Authorized** Representative of Hotel Ownership Group (May be Hotel GM if GM is authorized to sign on behalf of Hotel Ownership Group)

Title of Above Signatory

Name of Entity Employing Above Signatory (e.g.; name of hotel ownership group, hotel, or mgmt. company, etc.)

Date: _____

Note: The Hotel signatory further represents, affirms, and certifies that, with respect to the creation and implementation of the Tourism Public Improvement District, the City is fully entitled to rely on the warranty and representation set forth in this form for purposes of creation of the proposed Austin Tourism Public Improvement District. **Petitions should be returned on or before _____, 2020.**

Return original executed petitions to:

Attention: Tom Noonan, President & CEO; Visit Austin; 111 Congress Ave., Ste. 700; Austin, TX 78701

Petitioners present the following information concerning the formation of the Austin Tourism Public Improvement District:

- 1. District Name.** The name of the district shall be the Austin Tourism Public Improvement District (ATPID).
- 2. District Location.** The ATPID will be located wholly within the City of Austin, TX (City), a Texas home rule municipality. The proposed boundaries of the proposed ATPID are as shown on the attached map marked Exhibit “A” and shall solely include non-contiguous hotel properties with one hundred (100) or more rooms ordinarily used for sleeping within the City of Austin as shown on the attached hotel property list marked Exhibit “B”.
- 3. Purpose of the ATPID.** The purpose of the ATPID will be to provide special supplemental services relating to increased marketing and sales initiatives, sales incentives to retain and secure meetings and conventions at the Austin Convention Center and the Palmer Event Center, sales incentives to retain and secure additional citywide, transient and group business at individual District hotels, and research to assess the impact of the ATPID marketing and sales initiatives, all with the purpose of increasing the demand for hotel activity within the District.
- 4. Method of Assessment.** The ATPID assessment will be levied on hotel properties located within the ATPID with one hundred (100) or more rooms ordinarily used for sleeping. The annual assessment rate for all hotel properties within the District shall be one percent (1%) of gross taxable revenue from the rental of hotel rooms ordinarily used for sleeping. The assessment rate may be increased from a one percent (1%) rate to up to a two percent (2%) rate only if the cumulative state hotel occupancy tax rate, local hotel occupancy tax rate(s), and the ATPID assessment rate would not exceed eighteen percent (18%) at any time during the term of the ATPID. Any increase from a one percent (1%) ATPID rate to a higher rate would require at least three-fourths (3/4th) of the ATPID Board of Directors to vote in favor of the increase. ATPID voting Board members are composed solely of representatives of hotels within the District. Any vote to increase the TPID rate would also require approval by a majority vote of the City of Austin City Council. The ATPID assessment shall only apply to the gross revenue of hotel room night rentals which are subject to municipal hotel occupancy tax under Texas law. If a hotel room rental transaction is exempt from local hotel occupancy tax, it is also exempt from the ATPID assessment. The proposed assessment rates reflect the special benefits accruing to the hotel properties because of the services provided by the ATPID.
- 5. Estimated Cost: No Bonded Indebtedness.** During the proposed ten (10) year ATPID term, the annual budget/cost of services provided by the ATPID are estimated to range from \$4,826,244 to \$24,555,047 annually; however, in no event shall the assessment rate exceed two percent (2%) of the District hotel properties’ gross taxable room night rental revenue from

the rental of hotel rooms ordinarily used for sleeping. The ATPID shall not incur bonded indebtedness. The ATPID service plan budget and assessment rate are subject to annual review by the ATPID Corporation Board of Directors and are subject to an annual public hearing and approval by the City of Austin City Council. If the estimated cost and revenue collected from the ATPID assessment is greater than the estimated amount projected in the Annual Service Plan, surplus revenues shall be allocated in the subsequent fiscal year to Sales & Marketing programs and services.

- 6. Apportionment of Cost Between the ATPID and the Municipality as a Whole.** The ATPID shall pay the cost of the supplemental services described in this petition by assessment against the hotel properties with 100 or more rooms ordinarily used for sleeping within the ATPID. All ATPID-funded services will supplement, not supplant, pre-existing levels of programs funded by local hotel tax and other funding from the City of Austin at the time of the creation of the ATPID.
- 7. ATPID Management.** The ATPID shall be overseen by a to-be-formed ATPID Corporation, a nonprofit corporation which will also operate as a tax-exempt entity under the provisions of section 501(c) of the Internal Revenue Code. The City of Austin City Council will review and approve annually the service plan and assessment plan that is proposed by the ATPID Board of Directors and determine and levy assessments. The ATPID Corporation will oversee and manage the day-to-day operations of the ATPID pursuant to a contract with the City and Visit Austin. The ATPID Service Plan includes an allocation for the coverage of administrative costs which are directly related to implementation and administration of the District.

The ATPID Corporation Board of Directors will be composed of eleven (11) voting directors. The composition of the eleven (11) voting directors are allocated as follows:

- Four (4) directors representing hotels with 300 or more hotel rooms;
- Four (4) directors representing hotels with 141 to 299 hotel rooms; and
- Three (3) directors representing hotels with 100 to 140 hotel rooms.

A representative portion of the ATPID Board of Directors composition shall be from hotels outside the downtown Austin area. This portion shall, to the extent possible, remain commensurate with the current portion of taxable hotel night revenue that is received by the City of Austin hotels outside the downtown Austin area within the District. There shall also be two Ex-Officio members of the ATPID Corporation which shall include Visit Austin's President & CEO and Austin Hotel & Lodging Association's President.

- 8. District Dissolution.** The ATPID will be formed for a ten (10) year period, with services projected to commence January 1, 2021. After ten (10) years, the ATPID may be renewed if more than sixty percent (60%) of hotel property owners within the District support continuing the District.
- 9. Request for Formation of the Austin Tourism Public Improvement District.** The persons signing the Petitions request or concur with the formation of the ATPID and request that this

petition be considered at the earliest possible time and that the City of Austin City Council takes those lawful steps necessary to form the ATPID, authorize the services described herein, levy the necessary assessments to pay for the services and take any additional actions by law for the benefit of the ATPID.

10. Sufficiency of Petition. This petition will be sufficient if it is signed by the record owners of taxable real property liable for assessment under the proposal who constitute:

(a) More than 60 percent (60%) of the appraised value of taxable real property liable for assessment under the proposal, as determined by the current roll of the appraisal district in which the property is located; and

(b) More than 60 percent (60%) of:

(i) All record owners of taxable real property that are liable for assessment under the proposal; or

(ii) The surface area of all taxable real property that is liable for assessment under the proposal.

11. Headings. The heading of the paragraphs contained in this Petition are for the convenience of the reader and do not constitute part of this Petition. This Petition may be executed in multiple counterparts.

Exhibit A
ATPID Boundary

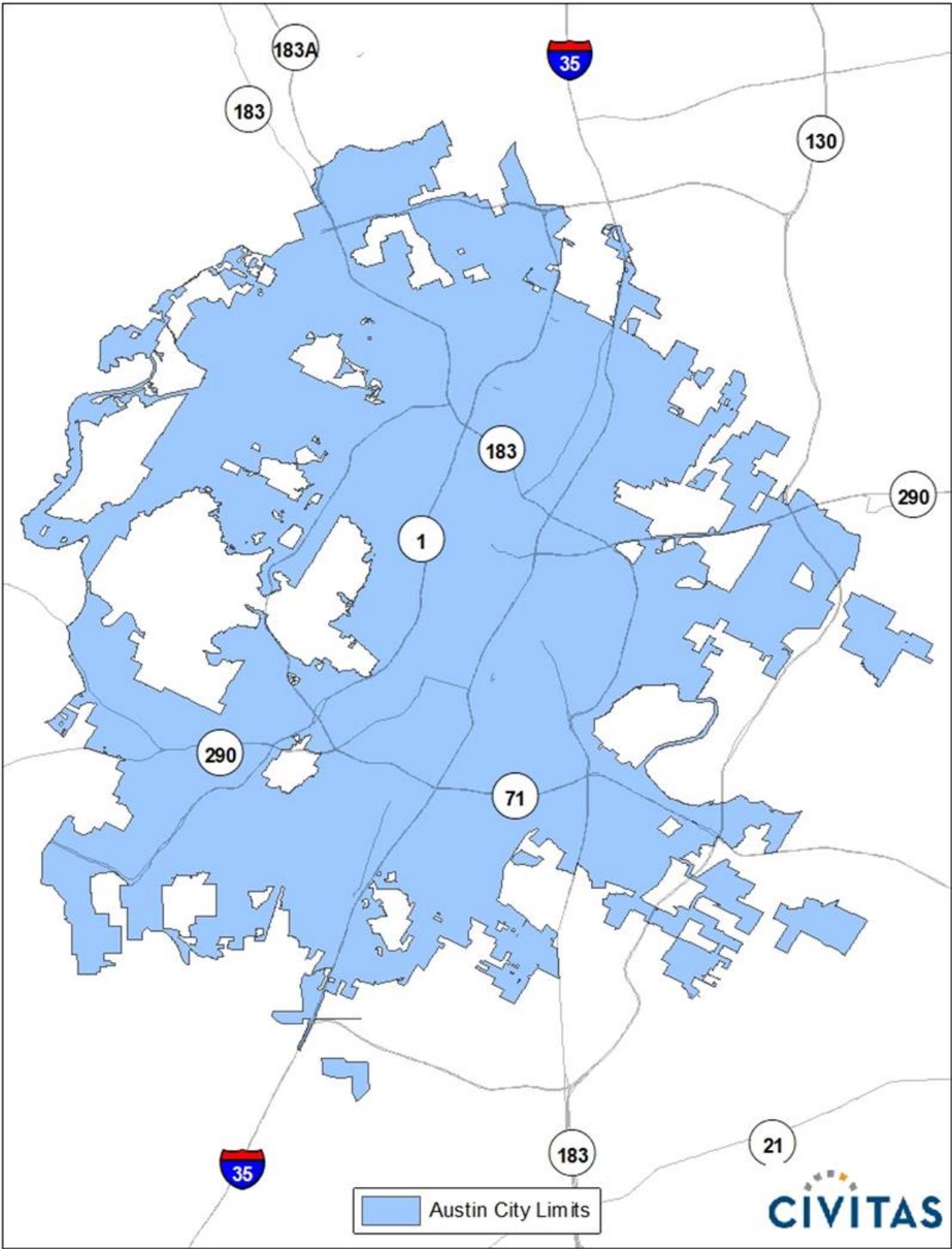


Exhibit B
ATPID Hotel Property List

****Hotel List TBD****